

1 RON BENDER (SBN 143364)
2 JULIET Y. OH (SBN 211414)
3 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
4 10250 Constellation Boulevard, Suite 1700
5 Los Angeles, California 90067
6 Telephone: (310) 229-1234
7 Facsimile: (310) 229-1244
8 Email: RB@LNBYPB.COM; JYO@LNBYPB.COM
9 Attorneys for Chapter 11 Debtor and
10 Debtor-in-Possession

FILED & ENTERED

OCT 14 2021

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY duarte DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

SANTA ANA DIVISION

In re:

THE SOURCE HOTEL, LLC, a
California limited liability company,

Debtor and Debtor in
Possession.

Case No.: 8:21-bk-10525-ES

Chapter 11

**ORDER DENYING DEBTOR'S MOTION
FOR ENTRY OF ORDER: (1)
AUTHORIZING SALE OF
SUBSTANTIALLY ALL OF THE
DEBTOR'S ASSETS; (2) AUTHORIZING
THE DEBTOR'S ASSUMPTION AND
ASSIGNMENT OF GROUND LEASE AND
DETERMINING CURE AMOUNT; (3)
WAIVING THE 14-DAY STAY PERIODS
SET FORTH IN BANKRUPTCY RULES
6004(h) AND 6006(d); AND (4) GRANTING
RELATED RELIEF**

Continued Auction/Sale Hearing:

Date: October 1, 2021

Time: 10:00 a.m.

Place: ZoomGov

Hearings were held on September 30, 2021 at 2:00 p.m. and on October 1, 2021 at 10:00 a.m. (the “Hearings”), before the Honorable Erithe A. Smith, United States Bankruptcy Judge for the Central District of California, Santa Ana Division, in Courtroom “5A” located at 411 West Fourth Street, Santa Ana, California 92701 (via ZoomGov), to consider the *Debtor’s Motion For Entry Of Order: (1) Authorizing Sale of Substantially All Of The Debtor’s Assets; (2) Authorizing The Debtor’s Assumption And Assignment Of Ground Lease And Determining Cure Amount; (3) Waiving The 14-Day Stay Periods Set Forth In Bankruptcy Rules 6004(h) And 6006(d); And (4) Granting Related Relief* [Doc. No. 227] (the “Motion”) filed by The Source Hotel, LLC, a California limited liability company (the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 bankruptcy case. Appearances at the Hearings were made as set forth on the record of the Court.

The Court, having considered (i) the Motion and all papers filed by the Debtor in support of the Motion; (ii) the objections and responses to the Motion filed by Westransco, Inc. [Doc. No. 234], certain lenders of the Debtor’s ground lessor, The Source at Beach, LLC [Doc. No. 235], Shady Bird Lending, LLC [Doc. No. 237], Aragon Construction, Inc. [Doc. No. 238], the Debtor’s EB-5 lenders (the “EB-5 Lenders”), Beach Orangethorpe Hotel, LLC and Beach Orangethope Hotel II, LLC [Doc. No. 239], Sunbelt Controls, Inc. [Doc. No. 240], Iron Mechanical, Inc. [Doc. No. 241], Retrolock Corporation [Doc. No. 254]; (iii) the Debtor’s reply to the objections and responses to the Motion [Doc. No. 256]; (iv) the surreplies filed by Aragon Construction, Inc. [Doc. No. 263] and Sunbelt Controls, Inc. [Doc. No. 264]; (v) the joinders to the objection filed by Aragon Construction, Inc. filed by Certified Tile, Inc. [Doc. No. 266] and Solid Construction Company, Inc. [Doc. No. 268]; (vi) *Shady Bird Lending, LLC’s Statement Seeking Cancelation Of Auction For Failure To Obtain A Financially Qualified Bidder* [Doc. No. 262] (the “Shady Bird Statement”); (vii) the response to the Shady Bird Statement filed by the EB-5 Lenders [Doc. No. 265]; (viii) *Debtor’s Statement Regarding Status Of Bids Received And Auction/Sale Hearing* [Doc. No. 271]; and (ix) the oral arguments, statements and representations of counsel and parties in interest made at the Hearings on the Motion, having

1 determined that no Qualified Bid (as that term is defined in the Motion) was received by the
2 Debtor, and other good cause appearing,

3 IT IS HEREBY ORDERED that the Motion is denied.

4 #####
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Date: October 14, 2021


Erithe A. Smith
Erithe Smith
United States Bankruptcy Judge